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THE IRON BAY TRUST

NOTES TO THE UNAUDITED INTERIM FINANCIAL STATEMENTS

For the Six Months Ended June 30, 1980

NOTE 1

The Trust owns an 80% interest in a mining property in the Bruce Lake area, District of Kenora, Ontario. The mining property is leased to The Steel Company of Canada, Limited until April 30, 2040, and the Trust receives a royalty based on quantities of iron ore pellets shipped from the mine. The royalty rate is subject to change in proportion to changes in the prevailing Cleveland market price for Lake Superior District iron ore pellets.

NOTE 2

The Trust indenture provides that \$1,000 is to be transferred annually to a Reserve Fund and the balance of receipts, after deducting disbursements, is to be distributed to the unit holders in the calendar year of receipt.

NOTE 3

The Trust has an authorized and issued capital of 2,560,005 Trust units.

THE IRON BAY TRUST

iron
TRUSTEES

interim report

**FOR THE SIX MONTHS ENDED
JUNE 30, 1980**

TRUSTEES

DAVID A. HUNTLEY
713 Davis Drive, Suite 205, Box 30
Newmarket, Ontario L3Y 4W3
Tel. 884-8902

and

MONTREAL TRUST COMPANY
15 King Street West
Toronto, Ontario
M5H 1B4

TRANSFER AGENT AND REGISTRAR

Montreal Trust Company
15 King Street West
Toronto, Ontario
M5H 1B4

THE IRON BAY TRUST

TRUSTEES' INTERIM REPORT

For the Six Months Ended June 30, 1980

To the Trust Unit Holders:

Royalties received from The Griffith Mine during the six months ended June 30, 1980, amounted to \$870,308 from the production of 775,608 tons of iron ore pellets. In addition, \$411,129 was received in July from the production of 351,633 tons of pellets.

Details of the royalties received to date during the current year are listed below:

Shipment period	Tons of pellets	Royalty per ton	Royalty	Date royalty received
Oct. to Dec., 1979	392,653	\$1.0762	\$ 422,557	Jan., 1980
Jan. to Mar., 1980	382,955	\$1.1692	447,751	Apr., 1980
	775,608		870,308	
Apr. to June, 1980	351,633	\$1.1692	411,129	July, 1980
	<u>1,127,241</u>		<u>\$ 1,281,437</u>	

Comparative details for the same period in the previous year are as follows:

Shipment period	Tons of pellets	Royalty per ton	Royalty	Date royalty received
Oct. to Dec., 1978	383,416	96.66¢	\$ 370,625	Jan. 1979
Jan. to Mar., 1979	360,074	96.66¢	348,062	Apr., 1979
	743,490		718,687	
Apr. to June, 1979	374,251	\$1.0397	389,101	July, 1979
	<u>1,117,741</u>		<u>\$ 1,107,788</u>	

A quarterly distribution of 16 cents per Trust unit will be paid on August 25, 1980, to unit holders of record on August 8. After this payment, distributions for the year to date will total 49 cents per unit. The distribution for the same quarter in the previous year was 15 cents per unit and total distributions to this point in the previous year were 42 cents per unit.

DAVID A. HUNTLEY and
MONTREAL TRUST COMPANY,
Trustees.

August 15, 1980.

GENERAL FUND INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS (Unaudited)

For the Six Months Ended June 30, 1980

Receipts	1980	1979
Royalties	\$870,308	718,687
Interest	11,836	7,501
	<u>882,144</u>	<u>726,188</u>
Disbursements		
Administrative expenses ..	12,777	13,064
Transfer to Reserve Fund (note 2)	1,000	1,000
Trustees' fees	8,821	7,262
	<u>22,598</u>	<u>21,326</u>
Net receipts available for distribution	859,546	704,862
Distributions to unit holders ..	<u>844,802</u>	<u>691,201</u>
Net receipts	14,744	13,661
Cash on hand at beginning of year	26	24
Cash on hand at end of period	<u>\$ 14,770</u>	<u>13,685</u>
Distributions per unit	<u>33 cents</u>	<u>27 cents</u>

RESERVE FUND INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS (Unaudited)

For the Six Months Ended June 30, 1980

Receipts	1980	1979
Transfer from General Fund	\$ 1,000	1,000
Interest	1,029	891
	<u>2,029</u>	<u>1,891</u>
Balance at beginning of year	21,037	18,206
Balance at end of period	<u>\$ 23,066</u>	<u>20,097</u>
Represented by:		
Cash on hand	\$ 3,066	3,597
Trust company certificates	20,000	16,500
	<u>\$ 23,066</u>	<u>20,097</u>